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## DEBIT-CARD STYLE HEALTH SERVICES COMING TO TOWN PREPAID MEDICAL SERVICES OFFERED IN STATE BY COLUMBIA CHIROPRACTIC; [FINAL Edition]

Michele Conklin Rocky Mountain News Staff Writer. Rocky Mountain News. Denver, Colo.: Mar 7, 1997. pg. 2.B

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- ① Consumers soon will be able to access health care with the swipe of a card.
- ② The new system, being introduced in Colorado by the former head of a local hospital system, uses debit card technology to get rid of wasteful paperwork. The smart card, developed by Portland-based Alternare, is being offered first by Columbine Chiropractic Plan.
- ③ Under the Alternare system, a company or individual prepays for a certain number of chiropractic visits. When the cardholder goes to one of the participating doctors and presents the card, a machine reads the card to get information such as patient and employer name. One unit is deducted from the card and payment is automatically transferred to the doctor's bank account within 72 hours.
- ④ "It's simple technology, but the potential is unbelievable," said Tom Rockers, president of Alternare of Colorado and former president of Provenant Health Partners which merged into Centura Health.
- ⑤ "Forty percent of the cost of health care is overhead, much of that in billing and collections that has no value for anyone. This is a way to eliminate that while still giving patients freedom of choice."
- ⑥ Columbine hopes to sell the cards to employers, worker's compensation programs, personal injury plans and individuals. One of the main benefits of the card is that providers get paid within 72 hours of rendering service rather than the standard three to six months, said David McReynolds, president of Columbine. That shortened payment time, in turn, should entice providers to offer cardholders a discounted fee. But since prices haven't been set, time will tell if that's the case.
- ⑦ On the employer side, the benefit is that the company is not paying for services that go unused, Rockers said. Under an insurance plan, a company pays a fee every month per employee whether the services are used or not. Under the Alternare system, the company pays in advance but gets money back if the services go unused. Employers also don't have to deal with any paperwork, he said.
- ⑧ Alternare works well for chiropractic, vision, dental and other "carve-out" specialty services, but Rockers hopes to eventually expand the technology to mainstream health care services. One initial use for the card is with managed care plan referrals. Most HMOs require members to go to their primary care doctors to get referrals to see specialists, which aggravates many people.
- ⑨ That system also is costly for the HMOs which pay for two doctor's visits and employers whose workers have to take time off for two doctor's appointments.

- ⑩ Alternare could help improve that situation if HMOs authorized a limited number of specialist visits without referrals and gave each member a smart card with that number of units available.
- ⑪ Beyond that, patients still would need to go through the traditional system.

[Illustration]

Photo (2); Caption: Chiropractors like John Hanks, above, may soon offer services via Alternare's smart-card technology, left.  
CAPTION: Alternare smart-card.

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